From: "Jerry Konzen" <jerrykonzen@cox.net> on 10/04/2007 03:50:04 PM

Subject: Truth in Lending

To whom it may concern:

I am writing to express my opinion on some of the current Credit Card Tactics being utilized by the largest financial companies...specifically Chase and Bank of America and how they are negatively and deceptively affecting the consumer.

1. I have had a credit card with Chase for many years and they recently "Got Me" on a technical change they made that I was candidly blindsided on. I received a promotional flyer in June of 2007 from Chase offering me a teaser rate for 6 months at 0.99% if I would transfer a balance from a competitors credit card to theirs. Historically, if I did a balance transfer, the price ranged from a minimum of $5 to a high of $75. I assumed it was the same as previous offers as there was no disclosure of a change in balance transfer terms in the main body of the offer letter. I transferred $15,481.34 and the following month, I received my bill and there was a fee of $464.44 creating an effective Annual Percentage Rate (APR) of 33.69%. I called Chase expecting there had been an error on the billing and they informed me that in the fine print on the bottom of the offer, the terminology now read that a fee of 3% (a minimum of $5) applies to the amount of each transfer. Had I realized this, I would not have executed this transaction as the intent of the transfer was to "save" money. Candidly this transfer fee should be usury....3 points is grossly excessive to transfer funds from one account to another. Also, the offer was clearly deceptive and I was shocked that Chase would use such "low Life" marketing tactics....hiding the fee in the 2-4 point font (very small-and need glasses to read) at the bottom of the offer page when the letter font is 8-10 point print in the main body of the letter. This is clearly done this way to intentionally hide it from the consumer as they are aware the consumer generally does not read all of the fine print. Otherwise, it would have been included it in the main body of the letter. I very much resented being taken advantage of and trusting that they would not stoop that low. Unfortunately, I hold Chase accountable for their actions....it is NOT the right thing to do. I also hold myself accountable as I should have read the fine print...my bad! I just did not expect Chase would "bait-and-switch" a customer like that.

2. I just received new disclosure information from B of A on a credit card that was transferred to them from MBNA. Within their new disclosure information that I just received from them are two items that need to be addressed.
A.) Effective 1/19/08 - They are doing the same thing...that balance transfers will incur a transaction fee (finance charge) equal to 3% of the US Dollar amount of each such balance Transfer (Fee: Min. $10; Max $75.). Effective March 10, 2008, they are increasing the transaction fee to 3% of the US Dollar amount of each such Balance Transfer (Fee: Min $10). This fee is outrageous.
B) Re: Default Pricing - it reads: In the future, if you have had two instances of not paying on time and/or exceeding your credit limit in a rolling twelve month period, your account may be default re-priced to a higher rate without further notice. Next section: Default Rates are variable rates calculated using the Variable Default Rate formula (described in this notice) with a margin up to 23.99 percentage points; as of July 31,2007, this resulted in a corresponding Annual Percentage Rate of 32.24%.....this is unbelievable. I would propose that a 10 day grace period be added from the payment due date to allow for mail and payment slippage as we see on Auto and home loans before Default pricing is eligible. (They have offered a rejection option here but I even know what the terms of the previously terminology stated.)

3. I support an outright ban on Universal defaults. This is where the lender can scour a customers credit through the credit reporting agencies from time to time and re-price their loan negatively if the customer has a late payment on another lenders transaction.

4. Late Fee's - I support a 10 day grace period from the payment due date before late fees can be

assessed. This had become big business-income for the credit card providers and there is no incentive for them to credit the mailed payment as soon as it is received. Also, the late fees continue to escalate as well with some as high as $50. per incident. This grace period would put them in line with grace periods on consumer auto loans and home loans.

5. Rates and Fee's: Should be clearly spelled out.

6. Changes to terms any time: Changing the loan terms, APR's, fee's, etc. of the loan at any time to what ever the credit card provider wants makes no sense except to them. If a loan is fixed, its terms needs to remain fixed. I would recommend that credit card instruments be structured as a Line of Credit is structured with the terms locked in for the life of the card.

Thanks for reading...

All the best,

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